

REMARKS

This amendment is submitted in response to the outstanding non-final Office Action mailed June 24, 2010. In view of the above claim amendments and the following remarks, reconsideration by the Examiner and allowance of this application is respectfully requested.

Claims 75, 77 – 85, 87, 99, 101 – 108 and 110 – 113 are pending. Claims 75, 78, 80, 82, 85 and 99 are amended. Claims 77, 84, 101 – 108, 110 and 113 are canceled. Claims 111 and 112 are withdrawn and new Claim 114 is added. More particularly, Claims 75, 78, 80, 85 and 99 are amended to more particularly point out and distinctly claim the subject matter applicant regards as the invention.

Claim 75 is amended to clarify that the invention is a computer-based method in which a third party account is created using information received from a fund depositor with which a periodic and automatic transfer of money into said third party account from said fund depositor account is established and information is supplied to the fund depositor on payees and corresponding payment amounts for said third party account. This is disclosed throughout the original specification, for example, at page 3, lines 11 – 15. The transfer of money, or cash, is disclosed at page 5, line 22 and page 11, line 28. The use of the term “payee” instead of “fund transferee” was recommended by the Examiner and is disclosed throughout the specification, for example at page 4, line 8. Thus, no new matter has been introduced to Claim 75.

Claims 78, 80, 82 and 85 are amended to conform with the changes to Claim 75, which also does not introduce new matter. Claim 80 additionally replaced the term “magnetic card” with “debit card.” This is disclosed in the specification at page 5, line 27 and also does not introduce new matter.

Claim 99 is amended to recite a computer-based method in which a third party account with a bank is linked to an account of a fund depositor using information received from the fund depositor, a debit card is linked to the third party account and encoded with third party account information permitting cash withdrawals or fund transfers as payments for goods or services, the debit card is

issued to a designated recipient of the fund depositor, and the fund depositor is supplied information on payees and corresponding payment amounts for the third party account. This is disclosed in the specification from page 19, line 18 to page 20, line 23 and does not introduce new matter.

Finally, new Claim 114 is presented in which the limiting step comprises permitting purchases from a computer software store or a bookstore. This is disclosed in the specification at page 6, lines 1 – 2 and also does not introduce new matter.

Instead, the claim amendments overcome the Examiner's rejections and place the application in condition for allowance. Reconsideration of the prior art rejections in view of the following remarks is therefore respectfully requested.

Priority

In the pending Office Action, the Examiner fails to recognize Applicant's claim for the benefit of a prior-filed application under 35 U.S.C. §120 because the Examiner alleges that the invention disclosed in the instant application is not disclosed in the earlier-filed application, U.S. Application No. 08/585,173 (the '173 application). Specifically, the Examiner asserts that the '173 application fails to provide support for such limitations of claims 75, 99, and 113 as "entered by said fund depositor with a personal computer," "supplying to said fund depositor through a CRT output device," and "wherein said fund depositor account and said third party account communicate through an external bank, credit card or atm network." This rejection is respectfully traversed in view of the above claim amendments for the reasons set forth hereinafter.

Without conceding the correctness of the Examiner's position, the claims have been amended to remove the limitations the Examiner considered to lack priority support. Each limitation of the presently pending claims are now fully described by the '173 application. Be cause there is adequate descriptive support in the '173 application for the invention as presently claimed, reconsideration by the Examiner and recognition of the priority claim to the '173 application is respectfully requested.

Claim Rejections – 35 USC §112, first paragraph

Claims 75, 77 – 85, 87, 99, 101 – 108, 110 and 113 are rejected under 35 USC §112, first paragraph, as failing to comply with the written description requirement. Of these claims, Claims 75, 78 – 83, 85, 87 and 99 remain pending. Specifically, the Examiner asserts that the following limitations were not disclosed in the Specification: (a) “supplying to said fund depositor through a CRT or LCD output device said information stored on fund transferees and corresponding payment amounts for said third party” (claim 75); (b) “supplying to said fund depositor through a CRT or LCD output device said stored information on fund transferees and corresponding payment amounts for said third party account” (claim 99); and (c) “supplying to said fund depositor through a CRT or LCD output device information stored on fund transferees and corresponding payment amounts for said third party account” (claim 113). This rejection is respectfully traversed in view of the above claim amendments for the reasons set forth hereinafter.

As noted above, without conceding the correctness of the Examiner’s position, the claims have been amended to remove these limitations. Each limitation of the presently pending claims are now fully described by the present specification. Because there is adequate descriptive support for the invention as presently claimed in the specification, by amending the claims in this manner this rejection of remaining claims 75, 78 – 83, 85, 87 and 99 under 35 U.S.C. §112, first paragraph has thus been overcome. Reconsideration by the Examiner and withdrawal of this rejection is therefore respectfully requested.

Claim Rejections – 35 USC §112, second paragraph

Claims 75, 77 – 85, 87, 99, 101 – 108, 110 and 113 were rejected under 35 USC §112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter that the Applicant regards as the invention. The Office Action states that the claim limitation “fund transferee” is unclear. This rejection is respectfully traversed in view of the above

claim amendments for the following reasons.

While the Applicant again does not concede the correctness of the Examiner's position, the claims are amended to replace the claim limitation "fund transferee" with - payees- - which is acknowledged by the Examiner to be fully supported in the specification and unambiguous. Accordingly, by amending the claims in this manner this rejection of remaining claims 75, 78 – 83, 85, 87 and 99 under 35 U.S.C. §112, first paragraph has thus been overcome. Reconsideration by the Examiner and withdrawal of this rejection is respectfully requested.

Claim Rejections – 35 USC §103

Claims 75, 77 – 85, 87, 99, 101 – 108, 110 and 113 were rejected under 35 USC §103(a) as being unpatentable over Fleming, U.S. Patent No. 5,953,710, in view of Langhans et al., U.S. Patent No. 4,837,422. Fleming is cited as disclosing each and every limitation of Claims 75 and 99 except for the creation of the transfers by personal computer. However, the Examiner cites Langhans et al. as disclosing this. The Applicant respectfully traverses this rejection in view of the above claim amendments because Fleming is not prior art and Langhans et al. is irrelevant to the invention as presently claimed.

First, applicants note that Langhans et al. is U.S. Patent No 5,500,513 (the '513 patent) and presume that this was what the Examiner intended to cite because column 6, lines 4 – 6 cited by the Examiner is found in the '513 patent. When referencing Langhans et al., Applicant will therefore reference the '513 patent.

Turning first to Fleming, Applicant's pending claims have been amended to remove language considered by the Examiner to lack support in the '173 priority application, thereby obtaining priority support to at least April 16, 1996. As demonstrated in Applicant's Rule 131 declaration of record, the Applicant have proven a date of conception and reduction to practice of at least April 16, 1996,

which is the filing date ultimately accorded the '173 application. Fleming's filing date is October 9, 1996. Because Applicant's priority date predates Fleming's by nearly 6 months, Fleming is not prior art to the present application. For this reason, reconsideration by the Examiner and withdrawal of this rejection is respectfully requested.

In any event, Fleming does not disclose the transfer of money from a primary to a third party account. Fleming teaches the establishment of a credit or debit card account for a child with limited access to a parent's credit line or debit card account based on a "credit limit" or "available credit" established for the child's account. The allowance referenced by the Examiner is described by Fleming as "an increase in the child's available credit in the amount of the child's allowance (column 14, lines 48 – 50)." This is not a true allowance as "credit limits" are not depleted as the money is spent under either Fleming's debit card or credit card scenario. Fleming instead discloses an allowance simulation that fails to function as an actual allowance because no money is ever transferred between parties.

Further, there is no motivation to combine Laughlin et al. with Fleming. Applicant invented the concept of embodying an allowance into a card with spending controls. Mr. Picciallo filed his patent application on this concept in 1996 and was awarded a patent by the United States Patent Office in 2000, U.S. Patent No. 6,044,360, of which the present Application is a divisional.

The specification discloses an invention that involves a "parent" who funds a "child" account for use by a "child" cardholder. The "child" cardholder can use the card anywhere, but limitations chosen by the "parent" are placed on what goods and services can be purchased. ('360 Picciallo, col. 2, ll. 24-29). This gives the "parent" security because the "parent" knows the card cannot be used for unauthorized purchases. (*Id.* at col. 2, ll. 24-29, col. 6, ll. 61-62). Additionally, funds from the "parent" are automatically and/or periodically deposited into the "child" account—which embodies the allowance. (*Id.* at col. 1, ll. 12-15, col. 3, ll. 28-34, col. 11, 55-64.) This frees the "parent" from

performing additional actions to ensure the “child” receives periodic funds.

The present application is grounded in the concept of allowances. The ability to accumulate funds in the form of money or cash, as opposed to credit, is paramount to allowances. Allowances require the ability to save, or accumulate. There are three types of allowances: outright, conditional and *ad hoc*. Outright allowances are those paid to a child on a periodic basis regardless of tasks performed by the child. Conditional allowances are periodic allowances paid to a child with the assumption that the child is fulfilling a task (e.g., chores). In practice, conditional allowances are similar to how a salaried employee is paid. For this reason, both conditional and outright allowances are regular allowances, because they are paid on a regular (e.g., periodic) basis. *Ad hoc* allowances are those paid to a child when the child asks for money. *Ad hoc* allowances, are not necessarily regularly periodic.

An example of a regular allowance shows accumulation: A child receives \$25 per month from his parent. During the first month, the child spends \$10. At the beginning of the second month, the child receives an additional \$25 (the next allowance payment). The child now has accumulated \$40 ($\$15 + \$25 = \40). Because allowance payments accumulate, the child learns the importance of saving and of “budgeting money and managing cash flow”—a Picciallo patent stated goal. (Picciallo ‘360, col. 6 ll. 60-61).

Without the ability to accumulate funds over time, a less-positive lesson is taught. Without accumulation, the child really has a \$25 monthly spending limit. If the child only spends \$10, he will, in essence, only receive \$10 the next month (due to \$15 left over, and $\$10 + \$15 = \$25$) and have \$25 to spend. If in that same month, he spends the entire \$25, at the beginning of the next month he still will receive \$25. No matter how much, or little, the child spends in a month, the next month he will have \$25 to spend. The lesson learned here is use it, or lose it; there is no incentive not to spend the entire \$25 every month.

Allowances are taught throughout the Applicant's specification and claims, while there is no such mention in Laughlin et al. that can be construed to embody an allowance. Instead, Laughlin et al. teaches where cited by the Examiner the use of a computer terminal by either bank personnel or a sophisticated corporate customer of a bank to set periodic spending limits for corporate credit cards issued to company employees within a hierarchy established under a single corporate account. By amending the claims of the present application to limit the funds transferred to money, i.e., cash, which accumulates as an allowance rather than a monthly credit spending limit, Langhans et al. is irrelevant to the presently pending claims.

Because Langhans et al. is irrelevant and Fleming is not prior art, the remaining claims patentably define over the cited combination of prior art. That is, by amending 75 and 99 to obtain priority support of the '173 application and to limit the method to the transfer of money, i.e., cash allowances, this rejection of remaining Claims 75, 78 – 83, 85, 87 and 99 under 35 U.S.C. 103(a) has thus been overcome. Reconsideration by the Examiner and withdrawal of this rejection is therefore respectfully requested.

Litigation of U.S. Patent No. 6,044,360

The '360 patent was held invalid on summary judgment in view of Langhans et al. in patent infringement litigation in the Northern District of Illinois (No. 09 C 03785)¹. In the opinion, Judge Pallmeyer noted that the term "funds" in the claims of the '360 patent failed to make a meaningful distinction between a money allowance that was inherently capable of accumulation and lines of credit that renewed but did not accumulate, a feature the Judge conceded she might have deemed materially distinguishable over Langhans et al. had the claims been limited to cash deposits accessible only with debit cards.

The claims of the present application have been amended to draw this distinction, thereby

patentably defining over Langhans et al. And with this distinction, the claims also patentably define over Fleming, which fails to disclose an allowance system in which money is actually transferred between parties.

Double Patenting

The pending claims that are remaining, i.e., Claims 75, 78 – 83, 85, 87 and 99 are rejected on the ground of non-statutory obvious-type double patenting over claims 1 – 10 of U.S. Patent No. 7,653,595 (the '595 patent). Without conceding the correctness of the Examiner's position, a terminal disclaimer with respect to the '595 patent has been filed this response in compliance with 37 CFR 1.321. As such, reconsideration by the Examiner and withdrawal of this rejection is respectfully requested.

Conclusion

This response has addressed all of the Office Action's grounds for rejection. The rejections based on prior art have been traversed. Reconsideration of the rejections and allowance of the claims is requested. In the event any issues remain outstanding, the Examiner is requested to telephone the undersigned at the below-listed telephone number so that their resolution may be discussed. Finally, if there are any additional charges in connection with this response, the Examiner is authorized to charge Applicants' Deposit Account Number 50-1943.

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Respectfully submitted,
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¹ Opinion cited in an IDS submitted with the within Amendment

Applicant(s): Picciallo
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